

# 4

## Chapter Four

# The IMC Planning Process

# 4

# PetSmart

Pets are now part of the family.

- Attitudes have changed.
- New animal care products.
- New animal care services.
- Prices are secondary.

**Why the Change?**



# 4

## The IMC Planning Process

### Chapter Objectives

1. How can the three Cs of the IMC planning context form the basis for an effective advertising program?
2. What categories are used to identify consumer and target markets or market segments?
3. What categories are used to identify business-to-business market segments?
4. How do the various approaches to positioning influence the selection of target markets?

# 4

## The IMC Planning Process

### Chapter Objectives

5. How do the marketing communication objectives interact with the other elements of the IMC planning process?
6. What are the relationships between communications expenditures and company sales?
7. What types of marketing communications budgets may be used when developing the IMC planning program?
8. In addition to advertising, what other IMC components are selected as part of the IMC planning process?

# 4

## The IMC Planning Process

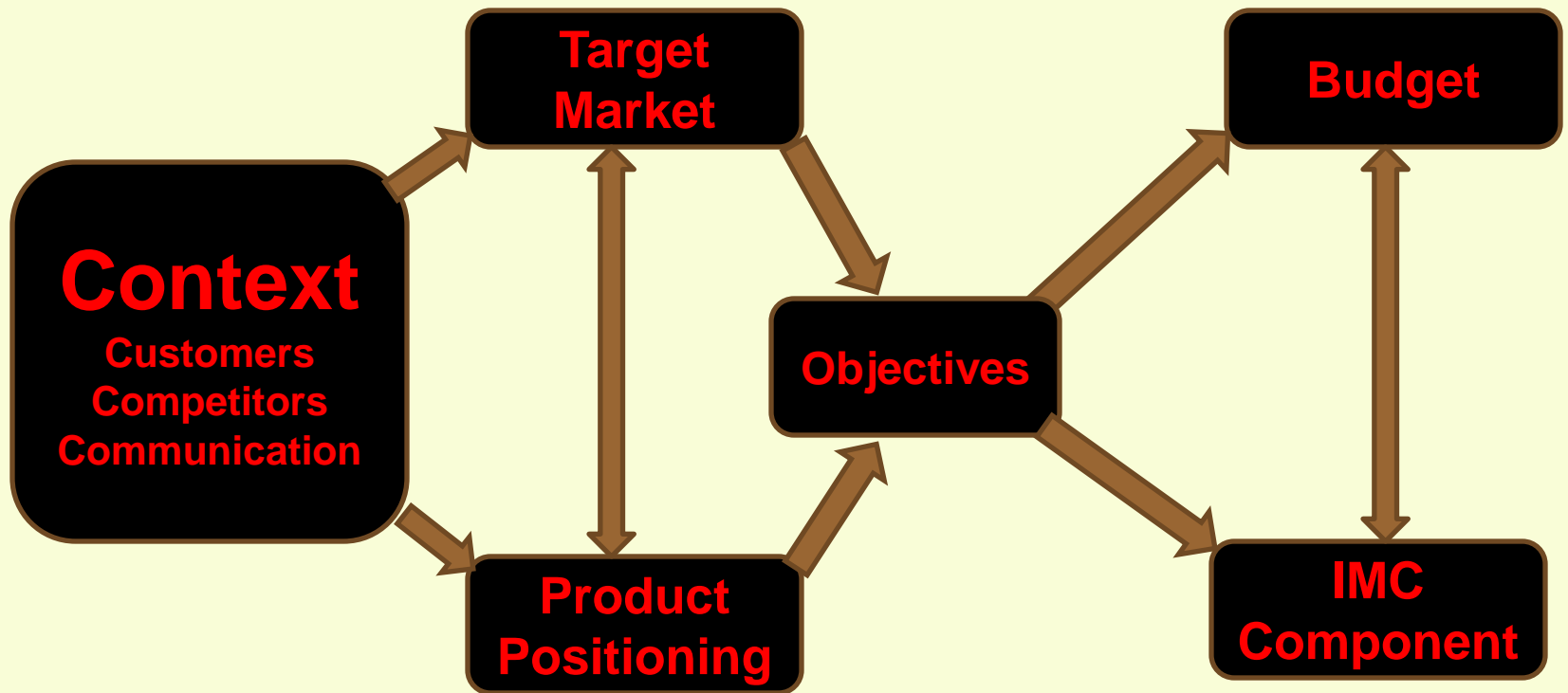
### Chapter Overview

- IMC planning
- Target markets
- Market segmentation
- Positioning strategies
- Communication objectives
- Budget
- IMC components



# FIGURE 4.1

## The IMC Planning Process



# Customers

## The IMC Planning Process

- Current customers
- Former customers
- Potential new customers
- Competitors' customers



# Competition

## The IMC Planning Process

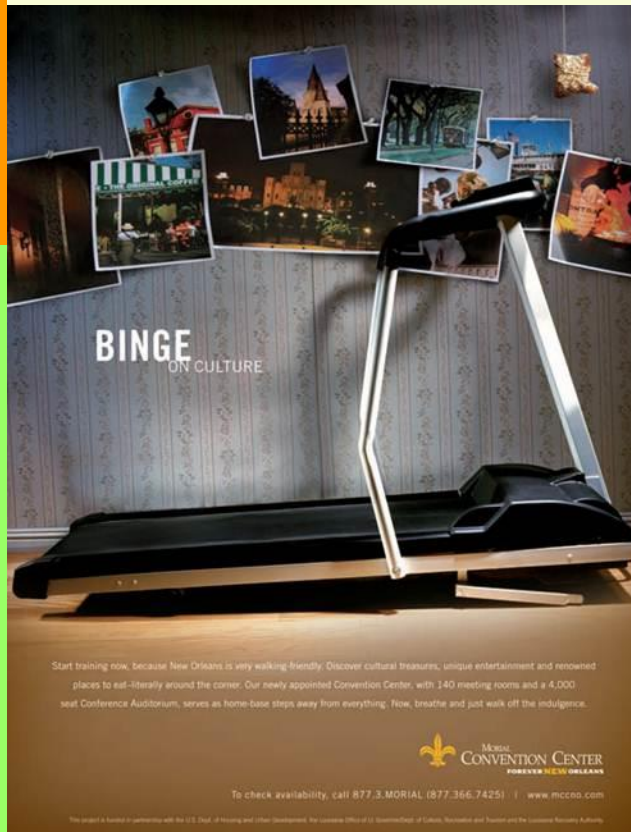
- Identify major competitors.
- Identify communication strategies and tactics of each competitor.

## Sources of information

- Primary research
- Secondary data
- Research what others say

# Communications

## The IMC Planning Process



- Company communications
- Industry communications
- Competitor communications

# Target Markets

- Target markets
  - Consumer markets
  - Business-to-business markets
- Market segment
- Market segmentation



# Tests to Determine if a Particular Market Segment Is Viable

- The individuals or businesses within the segment are homogeneous.
- The market segment is different from the population as a whole and distinct from other market segments.
- The market segment is large enough to be financially viable to target with a separate marketing campaign.
- The market segment must be reachable through some type of media or marketing communications method.

# FIGURE 4.2

## Methods of Segmenting Consumer Markets



- Demographics
- Psychographics
- Generations
- Geographic
- Geodemographics
- Benefits
- Usage

# Gender

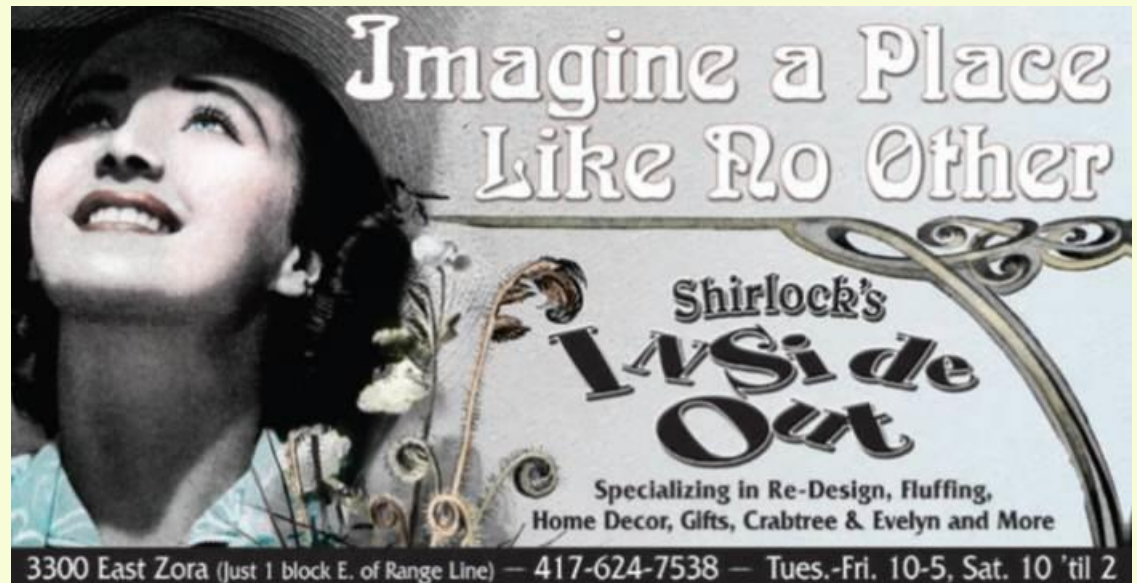
## Segments Based on Demographics

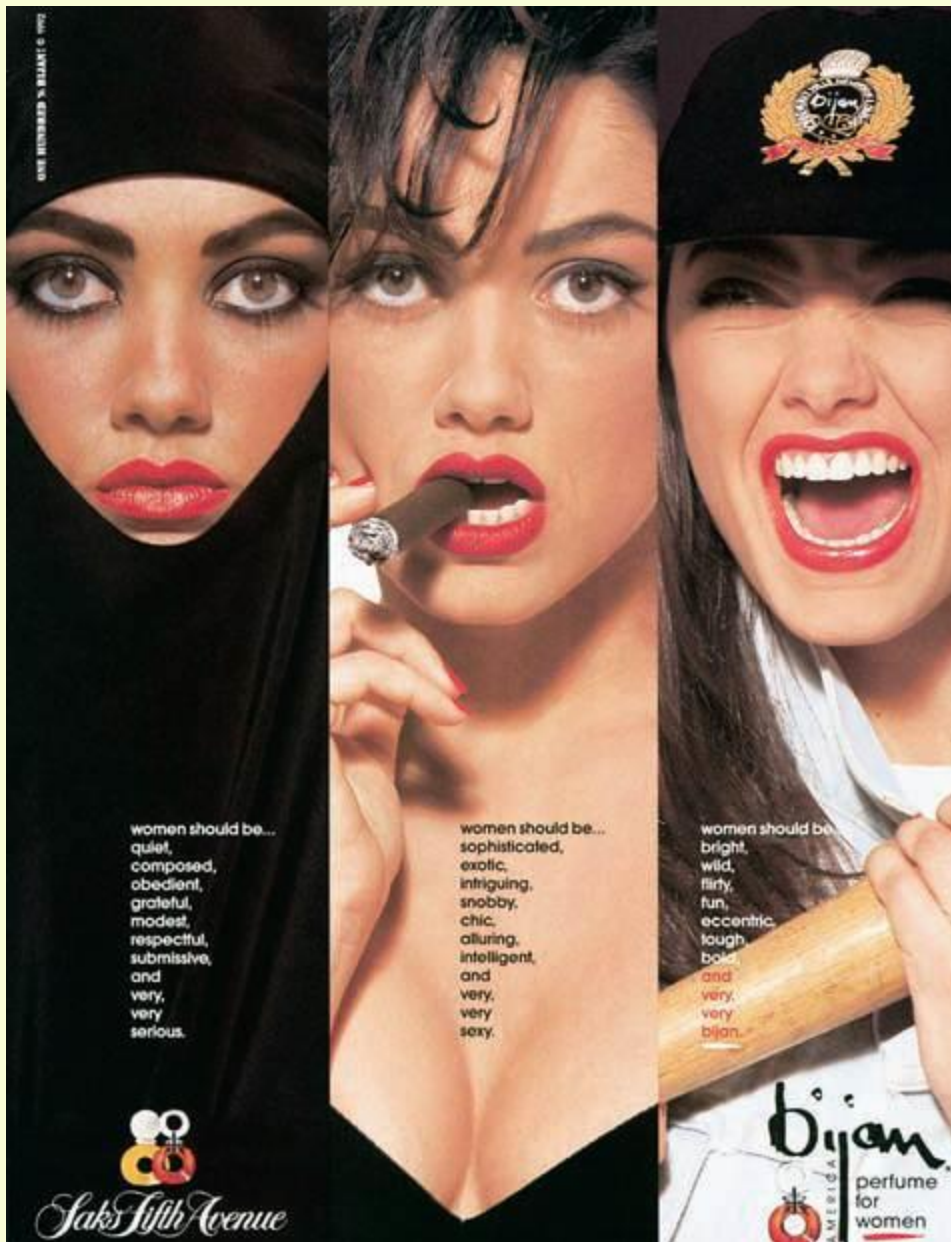
- Gender based products
- Gender difference in communications
- Female consumers
  - Control 66% of spending (\$12 trillion)
  - Involved in purchasing high-priced electronics (96%)
  - Deal with financial advisors (90%)
  - Buy and sell stocks (80%)
  - Household's primary accountant (70%)

# FIGURE 4.3

## Tips for Marketing to Women

- Focus on how brand can improve life
- Engage them with the brand
- Focus on practical, not trivial
- Tell a story that resonates
- Provide details
- Be positive





## A Bijan advertisement targeted to females



**BMW Motorcycle ad directed to men as the primary purchaser and women as the decision-making influencer.**

# Age

## Segments Based on Demographics

- Target specific age group
- Combine with other demographic variables
- Children attractive group



# Segments Based on Demographics

- **Income**
- **Ethnic groups**

Ad directed to  
“exhausted affluent”



# Psychographic Segmentation

- Describe consumers
- AIO measures
  - Activities
  - Interests
  - Opinions
- Combine with demographic profiles

# VALS 2

## Psychographic Segmentation

- **Innovators** — successful, sophisticated — upscale products
- **Thinkers** — educated, conservative, practical — durability, value
- **Achievers** — goal-oriented, conservative, career, and family
- **Experiencers** — young, enthusiastic, impulsive, fashion, social
- **Believers** — conservative, conventional, traditional
- **Strivers** — trendy, fun-loving, peers important
- **Makers** — self-sufficient, respect authority, not materialistic
- **Survivors** — safety, security, focus on needs, price

# FIGURE 4.4

## Characteristics of Generation Segments

Name of Segment	Year of Birth	Characteristics
Millennials	1978-2002	Spend money on clothes, automobiles, college, televisions, and stereos. Ninety percent live at home or in a dorm or rent an apartment.
Generation X	1965-1977	Focus on family and children. Spend on food, housing, transportation, and personal services.
Younger Boomers	1954-1964	Focus on home and family. Spend on home mortgage, pets, toys, playground equipment, and large recreational items.
Older Boomers	1952-1953	Spend on upgrading homes, ensuring education and independence of their children, and luxury items, such as boats.
Seniors	Up to 1951	Most have fixed incomes. Spend heavily on health care and related medical items.

**Source:** Author-created from Dana-Nicoleta Lascu and Kenneth E. Clow, *Marketing Principles* (Cincinnati, OH: Textbook Media Press, 2012).



# **First** in Orthopedics. **Foremost** in **Hip Replacement.**

The freedom to move and bend without pain is easily taken for granted. But when a hip joint is damaged by arthritis or broken by a serious fall, movement without pain can be a heartfelt dream. At St. Francis, restoring pain-free movement and quality of life is our commitment and mission.

Our doctors and staff are experts at hip replacement surgery, with many of these surgeries performed each year. Even more importantly, we understand the value of compassionate care. Technology, expertise, and inspired dedication—St. Francis Medical Center... a higher standard.



**ST. FRANCIS MEDICAL CENTER**

*Franciscan Missionaries of Our Lady Health System*

309 Jackson Street • Monroe, Louisiana • (318) 327-4000 • [www.stfran.com](http://www.stfran.com)

## **Ad targeted to seniors.**

# Geodemographic Segmentation

- Combines
  - Demographic census data
  - Geographic information
  - Psychographic information
- PRIZM
  - 62 market segments
    - Southside City
    - Towns and Gowns

# Benefit Segmentation

## Fitness Industry

- Winners
- Dieters
- Self-improvers



# Usage Segmentation

- Usage or purchase history
- Create clusters
- Target specific clusters
- Create marketing programs for each cluster
- Measure growth and migration

# FIGURE 4.5

## Methods of Segmenting B-to-B Markets

- Industry (NAICS/SIC codes)
- Size of business
- Geographic location
- Product usage
- Customer value

## Convention Hotels &amp; Resorts

## DEFUNDIAK SPRINGS

**BEST WESTERN CROSSROADS INN**  
PO Box 174  
Defundia Springs, FL 32438  
(904) 893-1111, fax (904) 892-2420

## DESTIN

## ARBORET RESORTS

7000 Emerald Coast Pkwy  
Destin, FL 32541  
FL & AL (800) 516-8054  
Internet: [www.arboretresorts.com](http://www.arboretresorts.com)

## DESIGN RESORTS

321 Hwy 90 E  
Destin, FL 32541  
(904) 434-4142, fax (904) 434-4248

## HENDERSON PARK INN

2700 Scenic Beach Pkwy SE  
Darien, FL 32541  
(904) 434-2424  
U.S. (800) 524-4853

## HILSON SANDestin BEACH &amp; GOLF RESORT

4000 Sandestin Blvd. South  
Destin, FL 32541  
(904) 242-9900  
U.S. (800) 462-2965  
FL (904) 242-1275  
fax (904) 242-1216  
Number of suites: 358  
Meeting rooms: 12  
Contact: Teresa Carlin, Dir. of Sales & Mktg.

## HOLIDAY INN DESTIN

1020 Hwy 90 East, PO Box 577  
Destin, FL 32541  
(904) 831-4191, 915-830-8833

## HOLIDAY SURF &amp; RACQUET CLUB

512 Gulf Shores Dr.  
Destin, FL 32541  
(904) 434-0220, fax (904) 434-0219

## PELICAN BEACH RESORT AND CONFERENCE CENTER

1061 Highway 90 East  
Destin, FL 32541  
(904) 434-1425  
fax (904) 434-1425  
Reservations: (800)  
725-6226 (PELICAN)  
Internet: [www.pelican-beach.com](http://www.pelican-beach.com)

Number of suites: 368  
Meeting rooms: 4  
Contact: Don Martin, Dir. of Sales & Mktg.

## THE RESORT AT SANDESTIN

1300 Hwy 90 West  
Destin, FL 32541  
(904) 242-4960, fax (904) 242-8807  
U.S. & FL (800) 272-0803  
E-mail: [alethea@thedesert.com](mailto:alethea@thedesert.com)  
Internet: [www.thedesert.com](http://www.thedesert.com)

## SANDESTIN BEACH &amp; MEETING RESORT (JO ARBORET RESORTS)

7000 Emerald Coast Pkwy  
Destin, FL 32541  
(904) 434-4230  
U.S. & FL (800) 434-4230, fax (904) 422-0196  
Internet: [www.sandestinresort.com](http://www.sandestinresort.com)

## POPPI'S BEACH RESORT

3051 Hwy 90 West  
Destin, FL 32541  
(904) 434-4030  
U.S. & FL (800) 434-4030  
E-mail: [graceandch@poppi-beach.com](mailto:graceandch@poppi-beach.com)  
Internet: [www.albini-resorts.com](http://www.albini-resorts.com)

## FORT WALTON BEACH

## BEACON RESORT MANAGEMENT, INC.

1114 Santa Rosa Blvd.  
Santa Rosa Beach, FL 32548  
(904) 244-5210, fax (904) 244-5214

## BEST WESTERN FT. WALTON BEACON RESORT

800 Santa Rosa Blvd.  
FL Walton Beach, FL 32548  
(904) 243-3444, fax (904) 243-3445

## BLUE HORIZON BEACH RESORT

1120 Santa Rosa Blvd.  
Fort Walton Beach, FL 32548-0233  
(904) 244-5196, fax (904) 454-2896

## FOUR POINTS HOTEL BY SHILOH

1575 Whacker Viny Pkwy.  
Fort Walton Beach, FL 32548  
(904) 243-0710, fax (904) 244-3344  
U.S. (800) 870-8104

## HARRISON BEACH RESORT

PORT WALTON BEACH  
1114 Santa Rosa Blvd.  
Fort Walton Beach, FL 32548  
(904) 243-1101  
U.S. & FL (800) 833-0331

## KAMARUA PLAZA BEACH RESORT

1500 Whacker Viny Pkwy, S.E.  
Fort Walton Beach, FL 32548  
(904) 243-1101, fax (904) 244-5363  
U.S. & FL (800) 870-8962  
E-mail: [gm@kamaruapalace.com](mailto:gm@kamaruapalace.com)  
Internet: [www.kamaruapalace.com](http://www.kamaruapalace.com)

## NAVARRE

## COMFORT INN NAVARRA

3000 Navarre Pkwy  
Navarre Beach, FL 32566  
(904) 929-1144, fax (904) 929-2488  
U.S. & FL (800) 808-1261

## HOLIDAY INN NAVARRA BEACH

8375 East Blvd.  
Navarre Beach, FL 32566  
(904) 929-2121  
U.S. & FL (800) 400-0667

## NICEVILLE

## BLUEWATER BAY GOLF RESORT

1900 Bluewater Blvd.  
Niceville, FL 32578  
(904) 907-9612, fax (904) 907-2424  
U.S. & Canada (800) 874-2128

## PANAMA CITY

## BEST WESTERN RAYSIDE INN

715 W. Beach Dr.  
Panama City, FL 32401  
(904) 763-9622, fax (904) 242-9622

## HOLIDAY INN SELECT HOTEL

2007 N. Cove Road  
Panama City, FL 32406  
(904) 769-9000, fax (904) 215-0888  
U.S. & Canada (800) 623-4266  
E-mail: [holidayinn@panamacity.com](mailto:holidayinn@panamacity.com)  
Internet: [www.pdohotel.com](http://www.pdohotel.com)

*Our Conference Center Accommodates 500 Comfortably.  
Not Counting Caddies.*



With 27 holes of golf, 12 tennis courts and accessible white beaches, meeting attendees tend to forget our conference capabilities. Our state-of-the-art sound system gives in one

ear and out the other. Our attention to detail goes completely unnoticed. Most guests even forget they've been working. But then, that's the idea, isn't it.

**Edgewater Beach Resort & Conference Center**

11000 FRONT BEACH ROAD • PANAMA CITY BEACH, FLORIDA 32401 • 904-763-9000

INCLUDES MEETING PLANNERS SITE [www.floridameetings.com](http://www.floridameetings.com)

19

A business-to-business advertisement based on the product usage segmentation strategy.

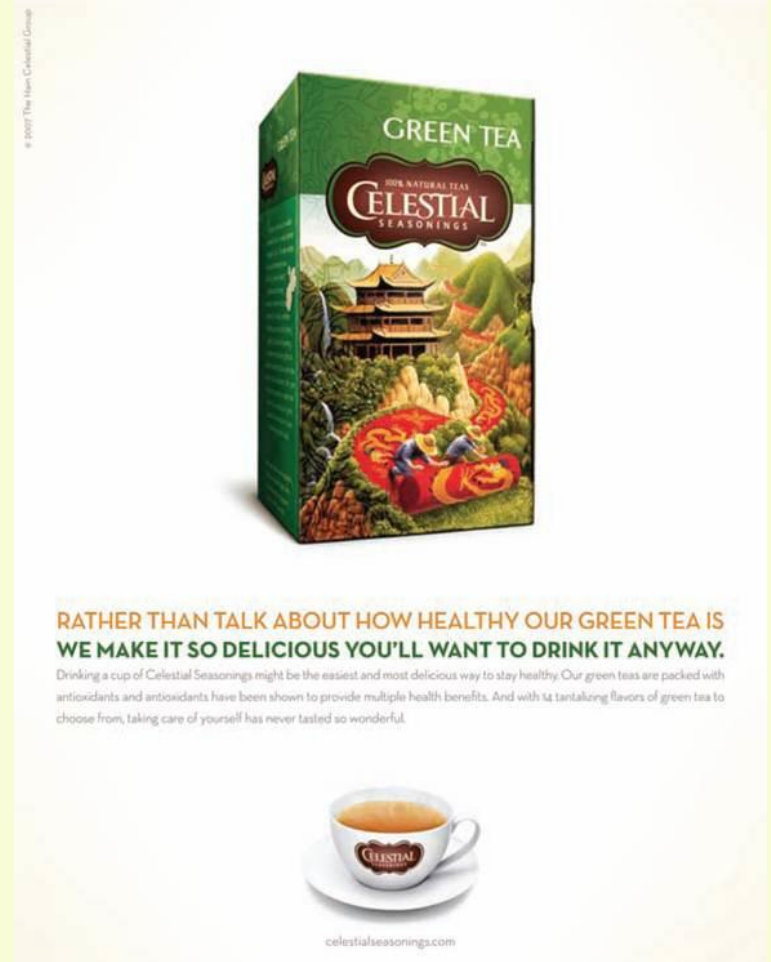
# Product Positioning

- Is the perception created in the consumer's mind regarding the nature of the company and its products relative to the competition?
- Positioning is created by factors such as product quality, prices, distribution, image, and marketing communications.

# FIGURE 4.6

## Product Positioning Approaches

- Product Attributes
- Competitors
- Use or application
- Price/quality
- Product user
- Product class
- Cultural symbol





Exactly how bright is Sony's new projector?  
Let's just say, your presentation definitely won't go unnoticed.

Not to worry—the SuperBright™ LCD Projector is bright enough to rescue any meeting or presentation. In fact with 2,000 ANSI lumens of brightness, it's the most brilliant object in the room. What's more, it provides true XGA resolution and has a PanelLink™ digital interface. All of which means you get an image that's both crisp and clear. So however you look at it, this projector delivers the innovation and technology you expect from Sony. Which makes you brilliant as well.



Portable VPL-FX30



For your FREE CD-ROM on Building a Better Presentation, or for more information, call 1-800-472-SONY, ext. FX30, [www.sony.com/digitalsystems](http://www.sony.com/digitalsystems).



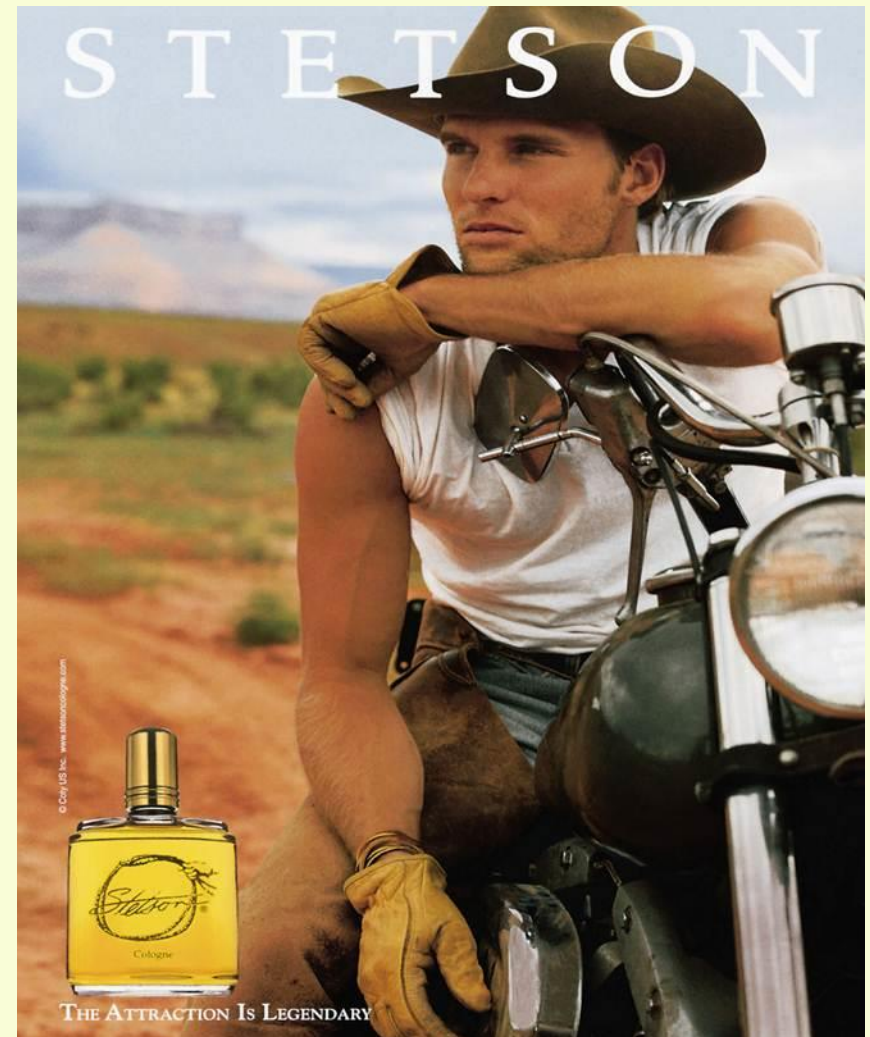
Installation VPL-FE100U



Personal VPL-FX1




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# STETSON

© Coty, Inc. [www.stetsoncologne.com](http://www.stetsoncologne.com)

THE ATTRACTION IS LEGENDARY

A business-to-business advertisement positioned by the product's attributes: the brightness of the Sony projector.

An advertisement by Stetson positioned by cultural symbols.

# Elements of Positioning

- Never completely fixed
- Applies to business-to-business also
- International positioning important
- Critical component of image and brand management

# Marketing Communications Objectives



# FIGURE 4.7

## Communication Objectives

- Develop brand awareness
- Increase category demand
- Change customer beliefs and attitudes
- Enhance purchase actions
- Encourage repeat purchases
- Build customer traffic
- Enhance firm image
- Increase market share
- Increase sales
- Reinforce purchase decisions

# Marketing Communications Budget

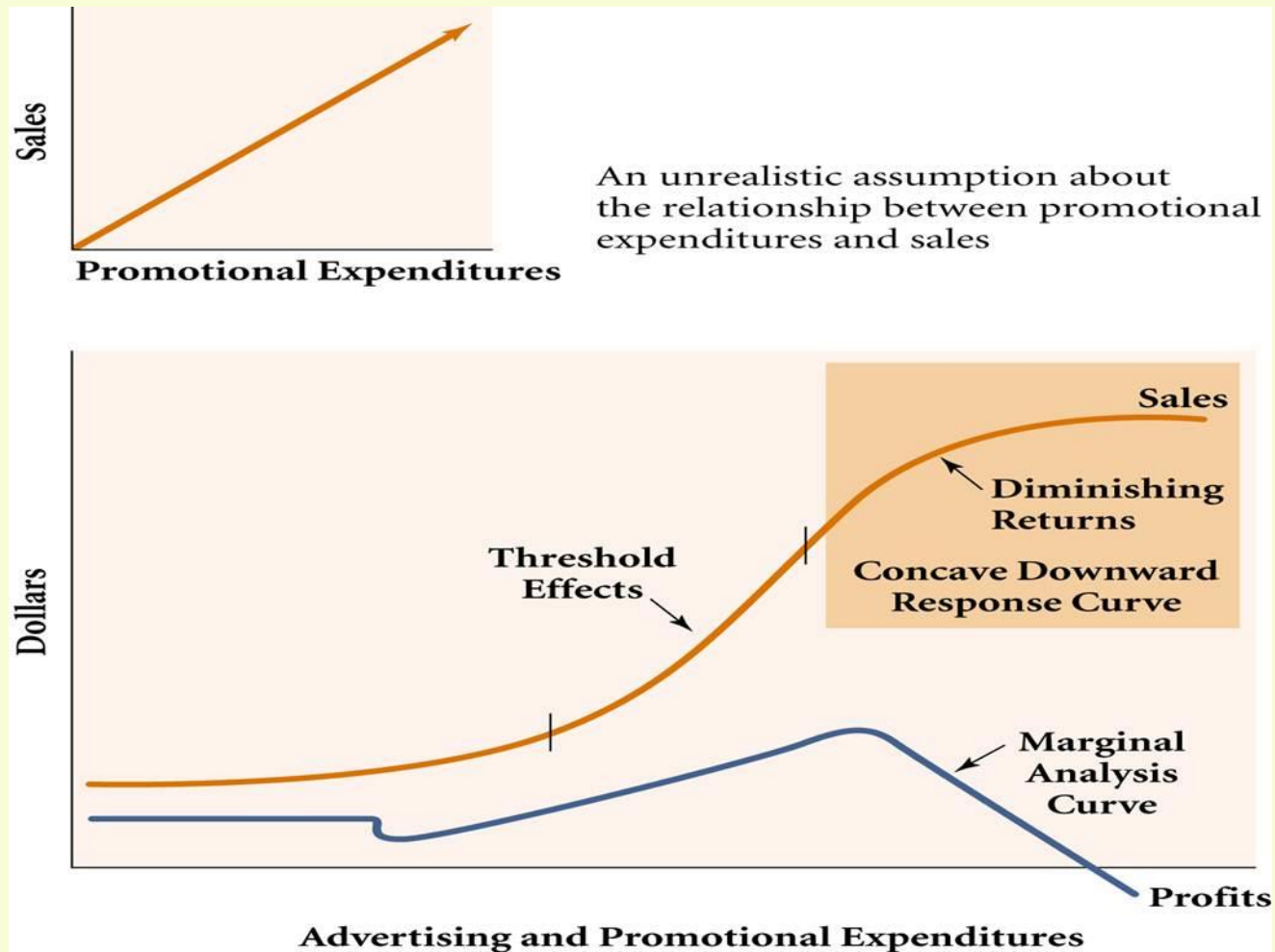
- Budgets based on
  - communication objectives
  - marketing objectives
- Budgets vary from consumer to B-to-B markets
- Unrealistic assumption to assume direct relationship between advertising and sales

# Factors Impacting Relationship Between Promotions and Sales

- The goal of the promotion
- Threshold effects
- Diminishing returns
- Carryover effects
- Wear-out effects
- Decay effects
- Random events

# FIGURE 4.8

## A Sale-Response Function Curve Combined with the Downward Response Curve and Marginal Analysis



A sales-response function curve combined with the downward response curve and marginal analysis.

Carryover effects are important in advertising products such as boats.

# Experience the Saltwater Advantage



## ...in the NEW ZX20 Bay

The ZX20 Bay is the perfect boat for every day because it's made to be in a permanent weekend mode using composite construction that is built to last. The hull design creates a low center of gravity, while the generous waterline length and beam provide the most stable fishing platform in the industry.

You'll also enjoy this hull's performance combined with a reliable Yamaha outboard. The ZX20 Bay drives easily into the shallows and tackles the rough water of the passes with amazing stability. And in between cruising and fishing you can relax as you remind yourself, "it's practical". Test drive the new ZX20 Bay today. You'll realize that SKEETER boats are **Engineered Like No Other.**

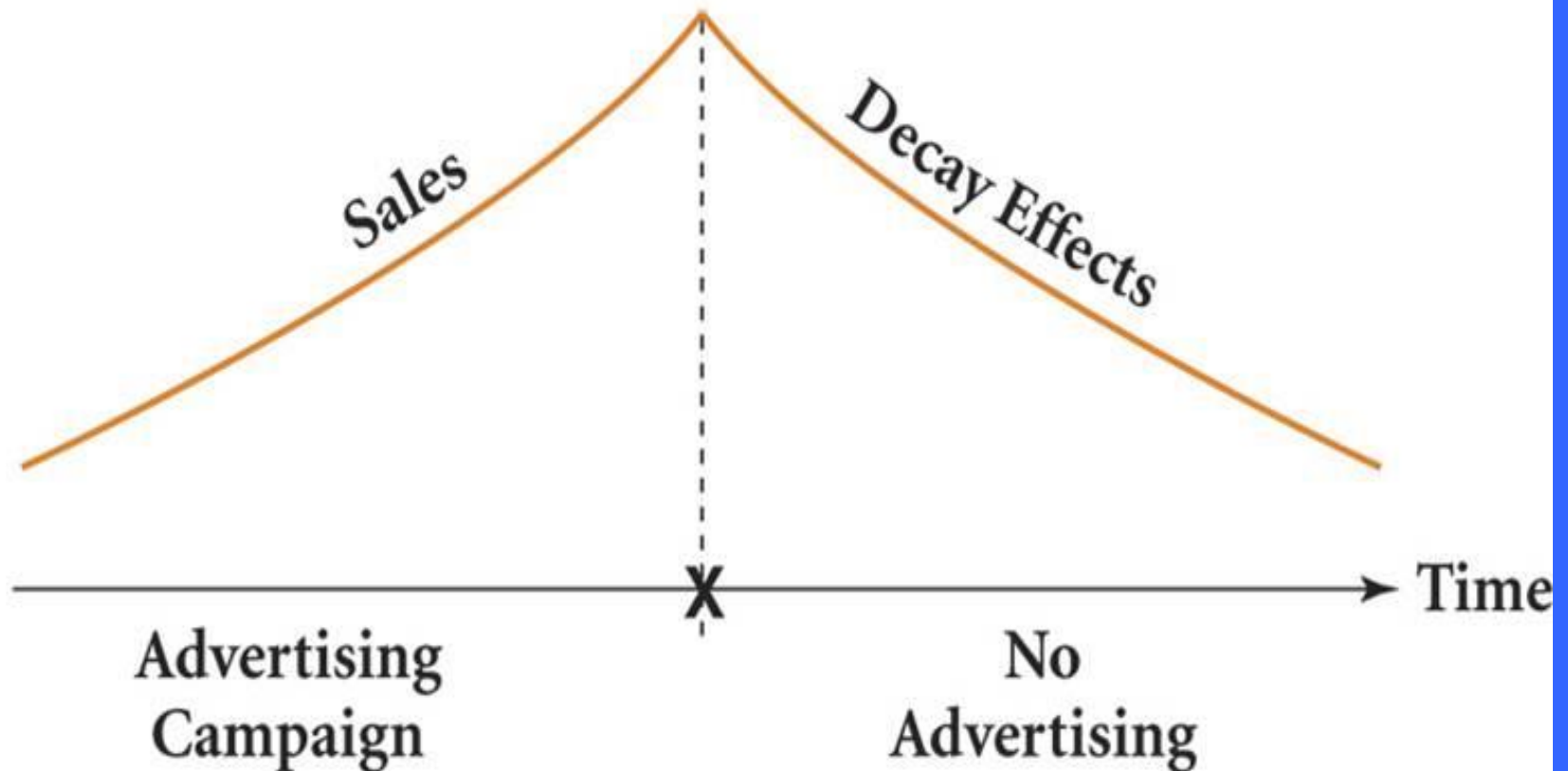


CALL 1-800-SKEETER TO ORDER A CATALOG, OR VISIT YOUR LOCAL SKEETER DEALER

**YAMAHA** [www.skeeterboats.com](http://www.skeeterboats.com) **SKEETER** PERFORMANCE FISHING BOATS® ENGINEERED LIKE NO OTHER

# FIGURE 4.9

## A Decay Effects Model



# FIGURE 4.10

## Methods of Determining Marketing Communication Budgets

- Percentage of sales
- Meet-the-competition
- “What we can afford”
- Objective and task
- Payout planning
- Quantitative models



# Types of Budgets

- **Percentage of Sales**
  - Sales of current year, or next year
  - Simple
  - Tends to work in the opposite direction
  - Does not meet special needs
- **Meet the competition**
  - Seeks to prevent market share loss
  - Highly competitive markets
  - Dollars may not be spent efficiently

# FIGURE 4.11

## Ad Spending, Brand Recognition, and Market Share

Auto Insurer	Ad Spending (millions)	Brand Recognition	Market Share
Geico	\$600	98%	8.2%
Progressive	\$506	92%	7.5%
State Farm	\$455	76%	18.6%
Allstate	\$369	63%	10.5%
Farmers	\$203	59%	6.4%

Source: Adapted from Gregory Bresiger, "It's Ad Infinitum," *New York Post*, May 1, 2011, [www.nypost.com/f/print/news/business/it\\_ad\\_infinitum\\_3ThF9rxodhIKnSkcljdTPK](http://www.nypost.com/f/print/news/business/it_ad_infinitum_3ThF9rxodhIKnSkcljdTPK).

# Types of Budgets

- **What we can afford**
  - Set after all other items budgeted
  - Not understand importance of marketing
- **Objective and task**
  - Budgets determined by objectives
  - Best method of budgeting
  - Used by 50% of firms

# Types of Budgets

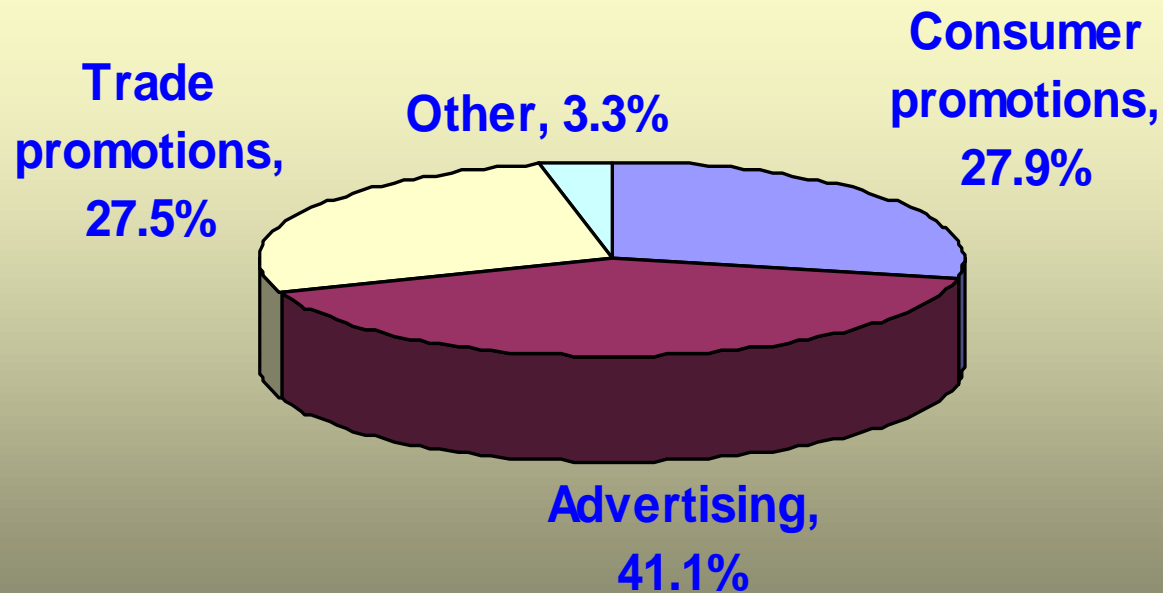
- **Payout planning**
  - Ratio—advertising to sales or market share
  - Larger percent at product launch
  - Lower percent when brand established
  - Based on threshold effect
- **Quantitative models**
  - Computer simulations
  - Develop models based on historical data

# IMC Components

- Traditional advertising
- Trade promotions
- Consumer promotions
- Media spending
- Alternative media spending
- Business-to-business media spending

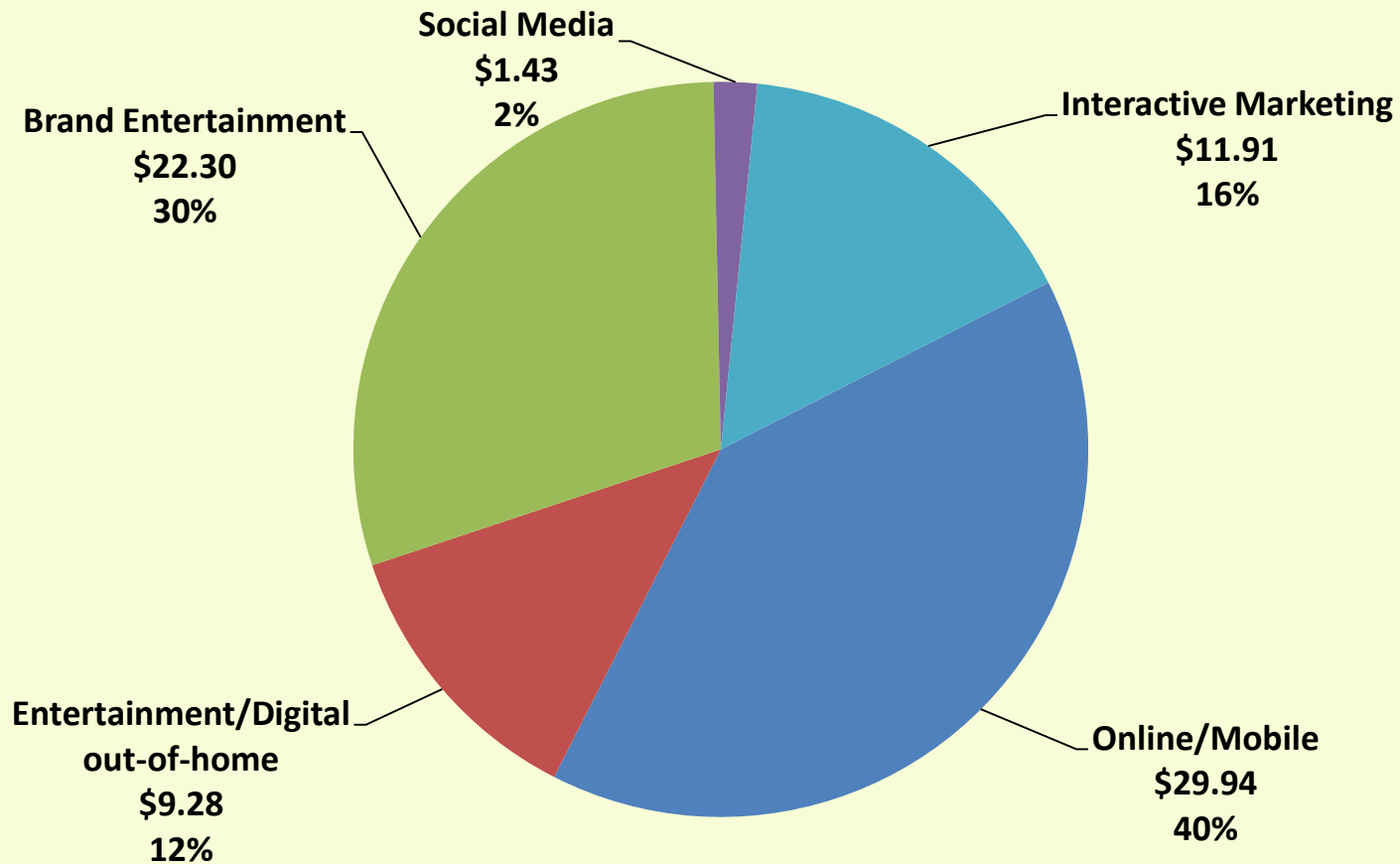
# FIGURE 4.12

## Breakdown of Marketing Expenditures



# FIGURE 4.14

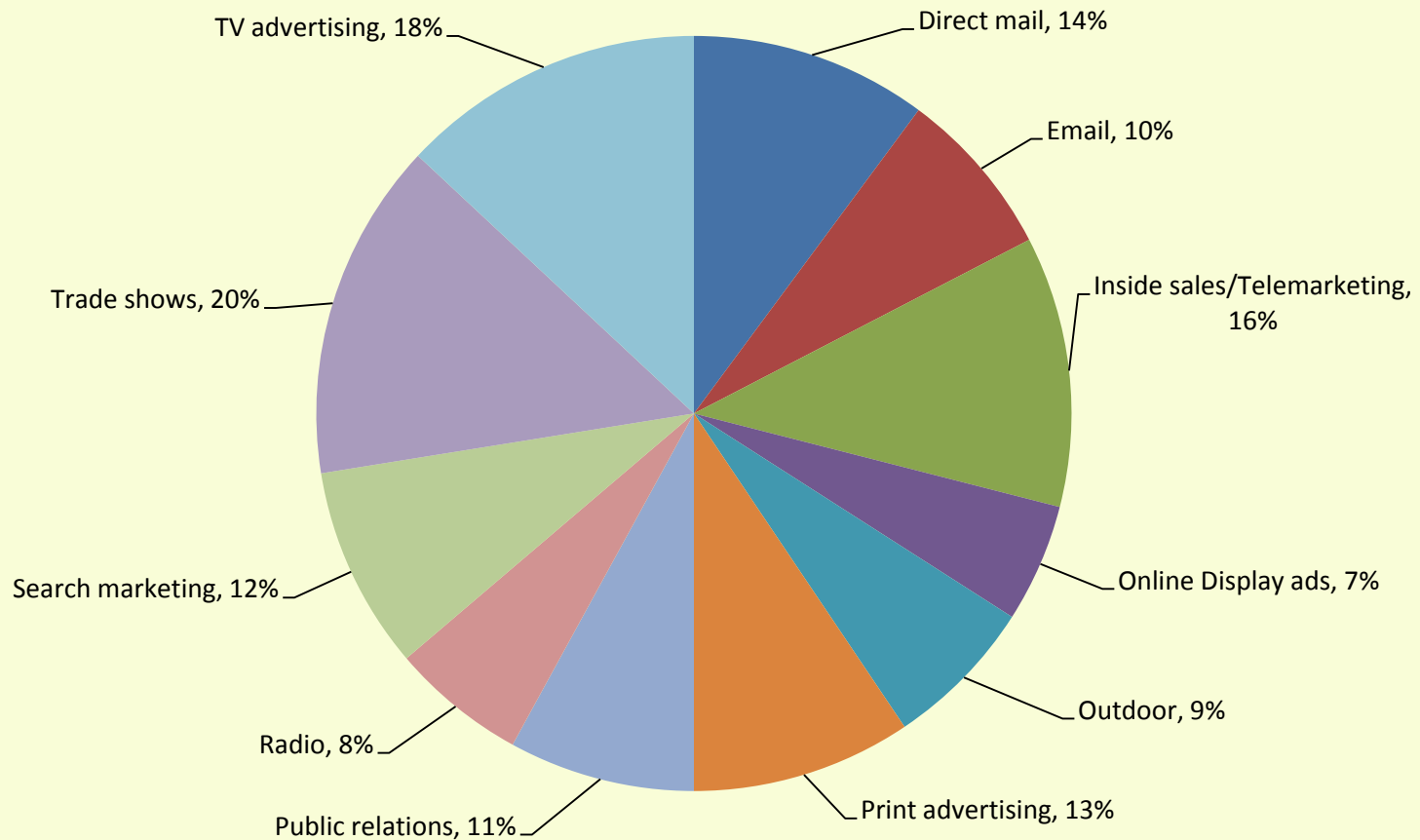
## U.S. Alternative Media Spending



Source: Adapted from "U.S. Alternative Media Spending," *2008 Marketing Fact Book*, *Marketing News*, July 15, 2008, p. 18, 22.

# FIGURE 4.15

## U.S. B-to-B Direct Marketing Spending



Source: Adapted from B-to-B Marketing in 2009: Trends in Strategies and Spending, *Marketing Profs Research, Inc.*, p. 18.

# FIGURE 4.16

## Successful Globally Integrated Marketing Communications Tactics

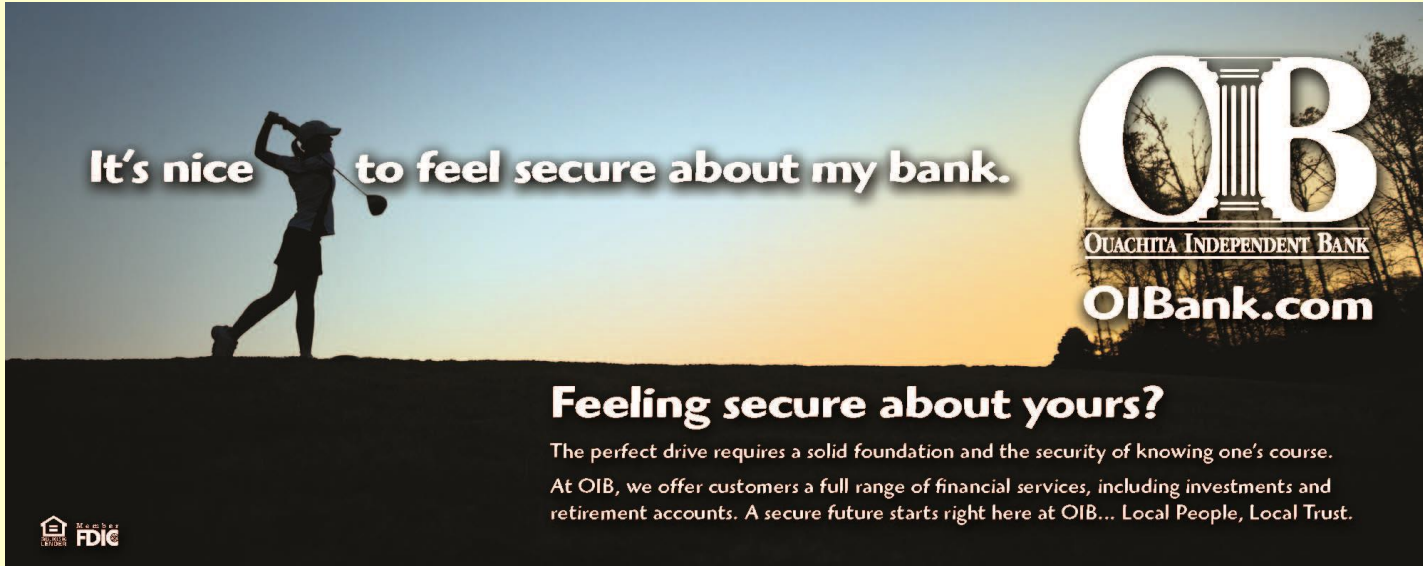
- Understand the international market
- A borderless marketing plan
- Thinking globally but acting locally
- Local partnerships
- Communication segmentation strategies
- Market communication analysis
- Solid communication objectives

# Ouachita Independent Bank

## (Part 4)

# Segmentation

- VALS2 – Thinkers, Achievers, Believers



It's nice to feel secure about my bank.

**OIB**  
OUACHITA INDEPENDENT BANK  
[OIBank.com](http://OIBank.com)

**Feeling secure about yours?**

The perfect drive requires a solid foundation and the security of knowing one's course. At OIB, we offer customers a full range of financial services, including investments and retirement accounts. A secure future starts right here at OIB... Local People, Local Trust.

Member FDIC

# Ouachita Independent Bank

## (Part 4)

# Positioning

- Product class → Local Bank



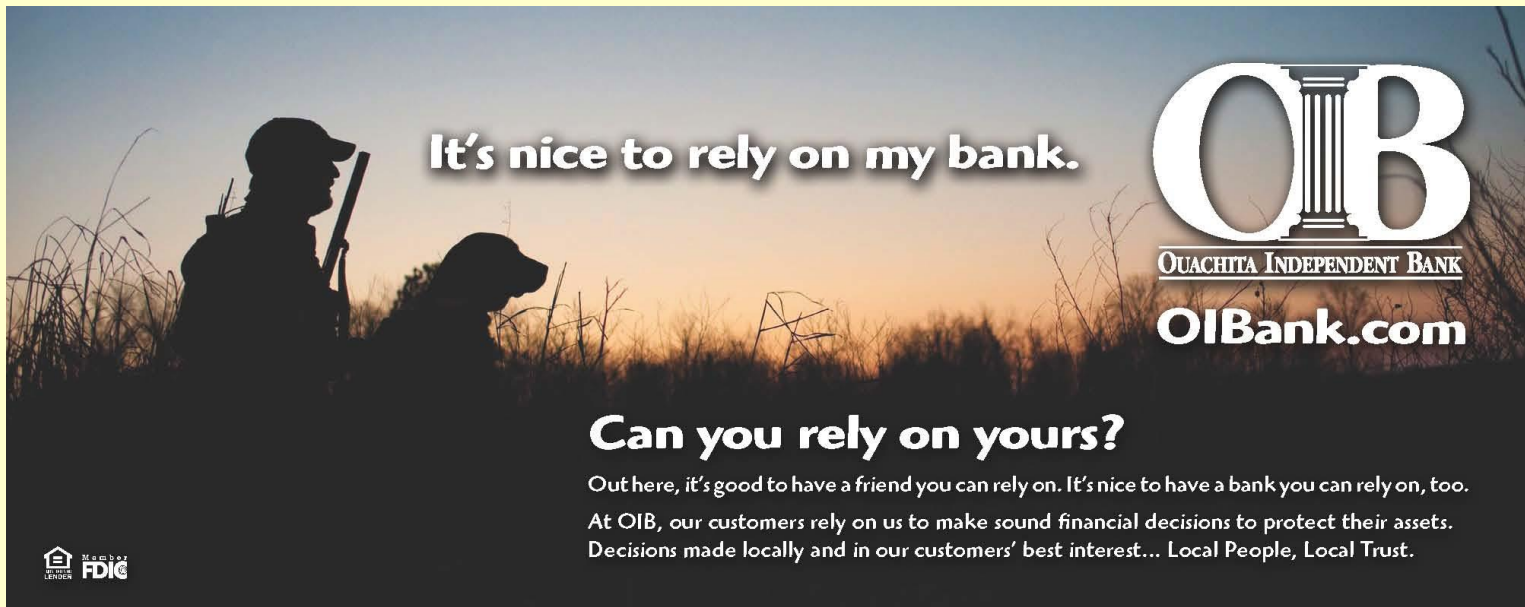
Theme of campaign - Local people, local trust

# Ouachita Independent Bank

## (Part 4)

### Communication Objective

- Build brand preference.



**It's nice to rely on my bank.**

**OIB**  
OUACHITA INDEPENDENT BANK  
**OIBank.com**

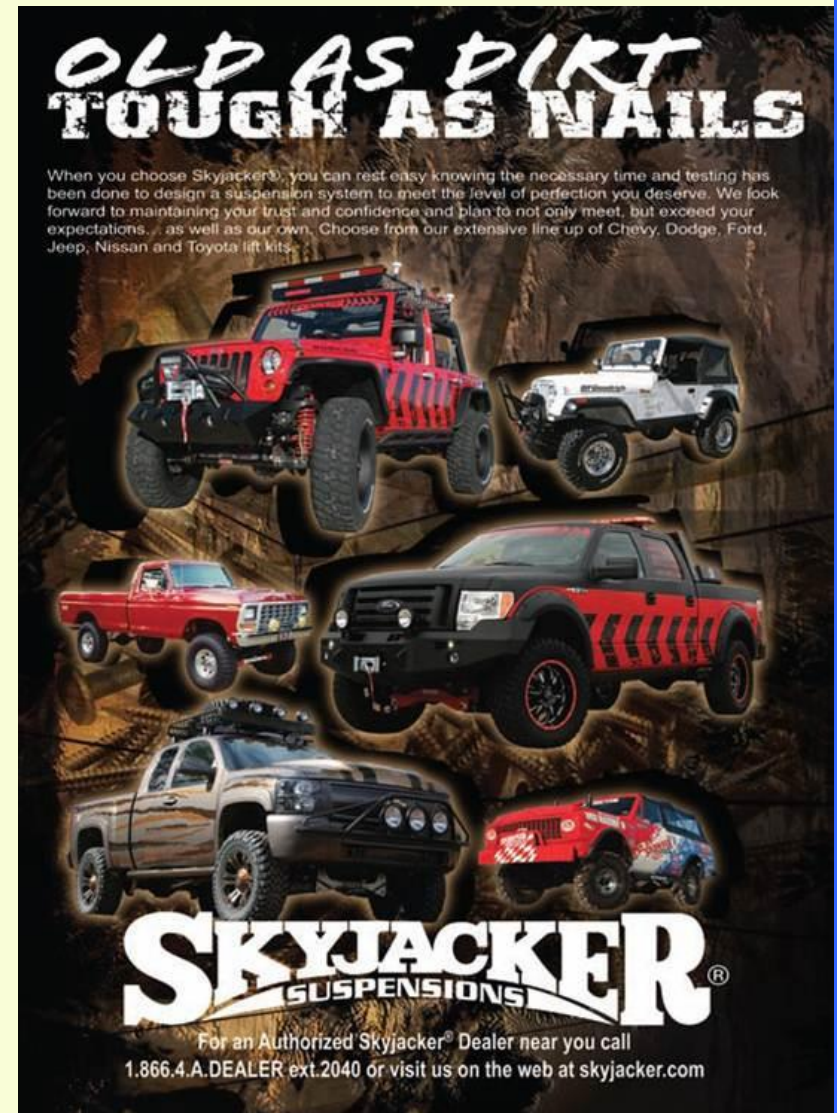
**Can you rely on yours?**

Out here, it's good to have a friend you can rely on. It's nice to have a bank you can rely on, too.  
At OIB, our customers rely on us to make sound financial decisions to protect their assets.  
Decisions made locally and in our customers' best interest... Local People, Local Trust.

Member FDIC

# Integrated Campaigns in Action

## Skyjacker



**OLD AS DIRT  
TOUGH AS NAILS**

When you choose Skyjacker®, you can rest easy knowing the necessary time and testing has been done to design a suspension system to meet the level of perfection you deserve. We look forward to maintaining your trust and confidence and plan to not only meet, but exceed your expectations... as well as our own. Choose from our extensive line up of Chevy, Dodge, Ford, Jeep, Nissan and Toyota lift kits.

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SUSPENSIONS

For an Authorized Skyjacker® Dealer near you call  
1.866.4.A.DEALER ext.2040 or visit us on the web at [skyjacker.com](http://skyjacker.com)